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Congress of the United States
House of Representatives
Washington, DC 20515-0602

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FORESTS, AND PUBLIC LANDS

April 24, 2008

<http://markudall.house.gov/HR/Co02/home>

Mr. Gordon A. Smith
Chief Executive Officer
Chase Card Services
270 Park Avenue
New York, NY 10017

Dear Mr. Smith:

Your business is largely based on the idea of keeping promises – not just promises to pay made by cardholders – but also the promises your company makes to both the individual consumers you serve, and to the public at large. I am sure you will agree that if your company engages in practices that undermine the idea of keeping faith with promises, public confidence in your business will erode, and your public reputation will suffer.

Assuming you agree about the importance of keeping faith with commitments, and maintaining a perception of integrity for your company, I expect you will be appalled -- as I was -- to learn the details of how Chase representatives treated one of your customers, Susan Wones, when she testified recently before Congress on legislation I have co-sponsored that requires credit card companies to treat customers more fairly. This legislation (H.R. 5244), based on a bill I authored in 2006, addresses dubious credit practices including universal default, arbitrary interest rate increases, and misleading bait-and-switch interest rate offers.

Earlier this year, I heard from Ms. Wones, a resident of Colorado, that the interest rate had been raised on two of her Chase credit cards, and that Chase's customer representatives failed to give her an explanation for these actions despite numerous requests. Ms. Wones and I stood together when I asked her to come to Washington to testify before the House Committee on Financial Services' Subcommittee on Financial Institutions and Consumer Credit.

As a matter of fact, Ms. Wones came to Washington twice (she and other consumers were blocked from appearing the first time), and in order to testify she was asked to sign a waiver allowing Chase to engage in a "public discussion" of her credit

card accounts with Chase . She also agreed to allow Chase to provide her private account information to staff members of the Subcommittee. Ms. Wones was concerned about preserving her privacy interests in this information – as you might expect for someone who agrees to allow a credit card company to talk publicly about their account – but she knew she had nothing to hide and understood the waiver as allowing only a discussion about her accounts with Chase. Ms. Wones sought and received confirmation that any information Chase provided to the Subcommittee in connection with her accounts would have her personal information redacted, in order to properly protect her privacy. My understanding and the understanding of the Subcommittee staff was that Chase would honor these promises.

The day before the hearing, the Subcommittee received Chase's response to Ms. Wones' testimony, in the form of a letter, and provided this to Ms. Wones. Chase's letter defended the company's policy of selectively raising interest rates (as high as 24.99%!) on customers who, despite paying their bills on time, were adjudged to be sudden credit risks because of other credit card balances – accounts unrelated to Chase's accounts with that customer. I do not understand how it is conscionable to hit customers who may be over-extended by increasing their interest rates, but in any event, Chase representatives told the Subcommittee staff that the company did not want this letter made part of the hearing record. Yet, amazingly, Ms. Wones and my staff witnessed a Chase representative peddling this very letter to reporters following the hearing – conduct that looks like retribution against Ms. Wones for telling her story to Congress. When another Chase representative was questioned about this action by Subcommittee staff, the Chase representative acknowledged providing this letter to reporters but still declined to have it made part of the public hearing record.

There is no charitable way to describe the behavior of your company's representative in this matter. It was obviously duplicitous. It strikes me as an example of a large and powerful institution engaged in bully tactics.

Moreover, I was advised yesterday that, when providing data on Ms. Wones' personal accounts to the Subcommittee, unlike other credit card companies providing data related to the hearing, Chase failed to keep faith with the company's promise to redact her personal identifying information. Consequently, Ms. Wones' highly personal data is now in the possession of staff members of the Subcommittee, who must decide what steps to take to properly protect that information. I find the company's behavior in this instance to be completely negligent and unacceptable for an institution that holds itself out as an example of respectability in the financial services community.

I further believe that the House Financial Services Committee should hold Chase Card Services accountable if Ms. Wones' personal information is used in any inappropriate way that should cause her harm.

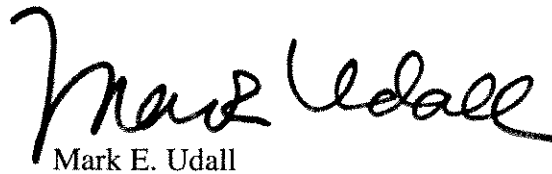
In sum, I am greatly disappointed in the way Chase has handled its issues with Ms. Wones – and it seems to have deteriorated since I first made her acquaintance and heard her personal story in February of this year. One is hard pressed not to conclude

that Chase treats its customers in an exceedingly shabby and negligent fashion – and all the more so if they choose to exercise their rights as citizens to petition their elected representatives in changing public policy.

At the very least, I believe that Chase owes Ms. Wones an apology for smearing her good name and for not properly keeping a commitment made to the Subcommittee to protect her personal privacy. In this case, it appears to me that your customer kept her promises to Chase. Unfortunately, Chase did not keep its promises to her.

I hope that you will take a hard look at ways to improve this example of substandard customer service. Ms. Wones - and other consumers across the country - deserve much better.

Sincerely,

A handwritten signature in black ink, reading "Mark Udall". The signature is fluid and cursive, with the first name "Mark" and last name "Udall" clearly distinguishable.

Mark E. Udall
Member of Congress

cc: Ms. Susan Wones
Mr. James Dimon, Chairman and Chief Executive Officer,
JPMorgan Chase
Representative Carolyn Maloney
Representative Barney Frank